

## Message Text

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11

ACTION EA-14

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SP-03 SS-20

USIA-15 AID-20 COME-00 EB-11 FRB-02 TRSE-00 XMB-07

OPIC-12 CIEP-02 LAB-06 SIL-01 OMB-01 STR-08 CEA-02

AGR-20 ACDA-19 DRC-01 /201 W

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R 260755Z APR 74

FM AMEMBASSY TAIPEI

TO SECSTATE WASHDC 1651

INFO AMCONSUL HONG KONG

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HONG KONG FOR TREASURY REP

E.O. 11652: NA

TAGS: EFIN, TW

SUBJECT: GROC FY 1975 BUDGET

REF: TAIPEI 2340

1. SUMMARY: EMBASSY HAS OBTAINED OFFICIALLY THE UNCLASSIFIED PORTION OF FY 1975 GROC BUDGET. EXAMINATION REVEALS THAT REVISION OF CERTAIN DATA CONTAINED REFTEL IS NECESSARY. DEFENSE SPENDING REPRESENTS ABOUT 56 PERCENT OF TAOTAL BUDGET INSTEAD OF 63 1/2 AS RRPORTED EARLIER. END SUMMARY.

2. AS NOTED IN PARA 5 REFTEL, INFORMATION TRANSMITTED THAT MESSAGE WAS BASED ON PRESS REPORTS. EMBASSY HAS NOW RECEIVED TEXT OF UNCLASSIFIED PORTION OF FY 1975 BUDGET FROM WHICH IT HAS BEEN LEARNED THAT PRESS REPORTS OF PERCENTAGE DISTRIBUTION OF BUDGET TO VARIOUS FUNCTIONAL CATEGORIES WERE NOT BASED ON TOTAL BUDGET OF NT\$76,250

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MILLION (US\$2,006 MILLION) BUT ON SO-CALLED "GENUINE

BUDGET" WHICH IS TOTAL BUDGET MINUS DEBT REPAYMENT AND CARRYOVER FROM PREVIOUS FY BUDGET. THIS BUDGET AMOUNTS TO NT\$69,446 MILLION.

3. BASED ON NEW INFORMATION, FOLLOWING TABLE SHOULD REPLACE TABLE CONTAINED PARA 5 REFTEL:

NT \$ MILLION	PERCENT OF GENUINE BUDGET	PERCENT OF TOTAL BUDGET
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A. DEFENSE AND FOREIGN

AFFAIRS 32,014 46.1 41.9

B. ECONOMIC

RECONSTRUCTION 9,103 13.1 11.9

C. SOCIAL WELFARE 8,280 11.9 10.9

D. SUBSIDIES TO LOWER

GOVERNMENT 4,340 6.2 5.7

E. EDUCATION, SCIENCE

AND CULTURE 3,844 5.5 5.0

4. THE BUDGET RECEIVED BY THE EMBASSY DOES NOT CONTAIN BUDGET ALLOCATIONS FOR MINISTRY OF NATIONAL DEFENSE, FOREIGN AFFAIRS OR ATOMIC ENERGY COMMISSION. WHILE IT IS DIFFICULT AND HAZARDOUS TO ATTEMPT TO CONSTRUCT ENTIRE BUDGET ON BASIS INCOMPLETE INFORMATION, IT SEEMS LIKELY, ON BASIS OF UNCLASSIFIED DOCUMENT, THAT DEFENSE EXPENDITURES WILL NOT REPRESENT AS HIGH A PROPORTION OF TOTAL BUDGET AS ANTICIPATED. FIGURE SHOSS 049?ABLY BE IN THE NEIGHBORHOOD OF 56 PERCENT OF TOTAL BUDGET, NOT 63.5 PERCENT AS MENTIONED REFTEL, WHICH WOULD REPRESENT ONLY 8.3 OF ANTICIPATED GNP INSTEAD OF 9.4PERCNET. THUS, DEFENSE SPENDING AS PERCENT OF GNP MAY BE LESS IN FY 1975 THAT IN FY 1974 WHEN IT WAS 8.8. WE URGE CAUTION IN USING THESE FIGURES, HOWEVER UNTIL IT CAN BE DETERMINED WHETHER SUCH THINGS AS SALARY INCREASES HAVE BEEN INCLUDED IN FUNCTIONAL CATEGORIES.

5. OTHER INFORMATION CONTAINED REFTEL, ON REVENUES, LIMITED OFFICIAL USE

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DEFICIT, SALARY INCREASES, AND COMMENT SECTION, REMAINS VALID.

6. COMMENT: DECISION NOT TO DISCUSS PUBLICLY DEFENSE AND FOREIGN AFFAIRS PORTIONS OF BUDGET WILL LEAVE LARGE GAPS IN INFORMATION AVAILABLE TO PUBLIC. MEANINGFUL ANALYSIS OBVIOUSLY MUST AWAIT AVAILABILITY FULL BUDGET. GLEYSTEEN

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## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** GOVERNMENT BUDGET  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 26 APR 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974TAIPEI02665  
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**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D740099-0199  
**From:** TAIPEI  
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**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** TAIPEI 2340  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GolinoFR  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 24 JUL 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <24 JUL 2002 by cunninfx>; APPROVED <20 FEB 2003 by GolinoFR>  
**Review Markings:**

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30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** GROC FY 1975 BUDGET  
**TAGS:** EFIN, TW  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005